

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LD-541

For: State and County Offices

**Feeder Lamb Marketing Agreements Under the Lamb Meat Adjustment
Assistance Program (LMAAP)**

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

The Year 4 marketing year of LMAAP ended on July 31, 2003. FSA-383's for Year 4 must have been received in the appropriate County Office by COB August 15, 2003, to receive benefits. As provided in 10-LD, subparagraph 32 A, to be eligible for a feeder lamb payment, producers in the sheep and lamb operation must market eligible feeder lambs between August 1, 2002, and July 31, 2003, to qualify for a Year 4 payment. As a result, many producers submitted lamb marketing agreements with their FSA-383's for feeder lambs that will be delivered after the Year 4 marketing year and application deadline.

Feeder lamb marketing agreements are considered forward contracts for future marketing. Therefore, feeder lambs covered under these types of marketing agreements **are not** considered "marketed" for LMAAP purposes. Under LMAAP, "marketed" is considered the actual delivery of lambs to a buyer from the seller of the lambs in exchange for a determined amount of money, or equivalent, paid to the seller of the lambs by the buyer of the lambs. The actual transfer of money and delivery of the lambs must have occurred **before** the end of the Year 4 marketing year for the lambs to be considered "marketed" under LMAAP.

B Purpose

This notice informs State and County Offices that FSA-383's submitted with lamb marketing agreements for the marketing and delivery of feeder lambs after the Year 4 marketing year should **not** be approved for feeder lamb payments.

Disposal Date	Distribution
January 1, 2004	State Offices; State Offices relay to County Offices

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2 LMAAP Activity Reports

A Revised LMAAP Activity Reports

Notice LD-539, paragraph 4, required State Offices to submit a compiled report from information provided by County Offices of FSA-383's received between June 6, 2003, and August 15, 2003, which is the period of time when the software was inhibited for payment processing and the Year 4 application deadline. State Office reports were due to the National Office by COB September 12, 2003.

Any State Office reports submitted to the National Office that included FSA-383's for feeder lambs submitted with a lamb marketing agreement, according to subparagraph 1 A, must submit a revised report with those lambs deducted from the feeder lamb totals.

B Deadlines for Revised Reports

If any feeder lambs with lamb marketing agreements were included in their original submitted report:

- County Offices must submit revised reports to the State Office by **COB September 17, 2003**
- State Offices must submit revised reports to the National Office by **COB September 19, 2003**.

Note: The short turn around time to submit reports is to ensure every effort is made to resume making LMAAP Year 4 payments by the end of September.

3 Action

A State Office Action

State Offices shall:

- compile all revisions received from the County Office reports
- submit the State Office report, marked "Revised Report", to the National Office by either of the following:
 - e-mail to **Danielle_Cooke@wdc.fsa.usda.gov**
 - FAX to 202-690-3307.
- **not** submit a report to the National Office if there are no revisions resulting from feeder lamb marketing agreements.

3 Action (Continued)

B County Office Action

County Offices shall:

- review FSA-383's to identify applications for feeder lamb payments submitted with a lamb marketing agreement
- **disapprove** FSA-383's for feeder lamb payments submitted with lamb marketing agreements for the marketing and delivery of feeder lambs after July 31, 2003
- submit a revised report to the State Office by **September 17, 2003**, for any feeder lambs with lamb marketing agreements that were included in original submitted report of total feeder lambs
- **not** submit a report to the State Office if there are no revisions resulting from feeder lamb marketing agreements.

Note: LMAAP Year 4 payments issued before the inhibition of the payment software for feeder lambs with lamb marketing contracts where the marketing and delivery of the lambs takes place after the Year 4 marketing year **must** be refunded.